

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Promotion of Tourism - Introducing of Andhra Pradesh New Tourism Policy, 2010 in place of Tourism Policy, 1998 - Orders - Issued.

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**YOUTH ADVANCEMENT TOURISM & CULTURE (T) DEPARTMENT**

**G.O.Ms.No. 75**

**Dated: 14-10-2010**

**ORDER:**

The Government of Andhra Pradesh, as a matter of policy to promote the State as an attractive and competitive destination for Tourism, having felt that there is an imperative need to encourage various entrepreneurs in the area of development of Tourism Industry, have decided to grant certain concessions / exemptions and reliefs to Tourism Units being established in various parts of the State, keeping the State's priorities and feasibility of these units in view. Similarly, encouragement to the private and PPP tourism projects established in different areas would not only provide employment opportunities but also generate investment avenues thereby improving the socio-economic status of the people of the area.

2. The Tourism Policy is the main instrument to guide required private sector investment as per the priorities of the State which is also the document that spells out the areas in which the Government itself will take the leadership role, and with its own initiative create and deepen a market which can then be considered by the private sector. The Department of Tourism is implementing hitherto the Andhra Pradesh Tourism Policy, 1998 and now it has become essential to refine and update the policy and bring it in tune with the current tourism trends and investment norms in order to remain attractive as a preferred investment destination and compete with other States of the Country.

3. The Government, after careful consideration and detailed examination of several issues connected to the area of Tourism, having obtained the suggestions of various other line Departments, hereby order for release of the Andhra Pradesh New Tourism Policy, 2010 replacing the existing Tourism Policy, 1998.

4. The salient features of the Andhra Pradesh New Tourism Policy, 2010 are as follows:

**OBJECTIVES OF THE NEW TOURISM POLICY WILL BE AS FOLLOWS:**

- Position the State competitively for attracting private sector investments in Tourism & Hospitality.
- To promote inbound tourism in all potential destinations of the State & not just to few destinations like Tirupati, Hyderabad, Vizag, Puttaparthi, etc.
- To target the incentives to the private sector better as per the State Government priorities in terms of geographical areas & tourism products.
- To maximize the advantage of Hyderabad City to promote new tourism products.

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- To give adequate focus to Aam Aadmi Tourism, Rural Tourism, Eco Tourism, Adventure Tourism & Responsible Tourism.
- To focus on maximum generation of employment in the sector by development of Human Resources through capacity building.

#### **ELIGIBLE TOURISM PRODUCTS:**

The following tourism products 'will be eligible for receiving state support:

- 1) Hotels & Serviced apartments
- 2) Resorts
- 3) Heritage Hotels
- 4) Wellness Centres (spa/yoga/naturopathy/etc.)
- 5) Amusement Parks
- 6) Entertainment centres (aquarium/ Indoor rides/ Snow world/etc.)
- 7) Permanent exhibition complexes
- 8) Ropeways
- 9) Convention Centres
- 10) Wayside Amenities
- 11) Water Sports
- 12) Golf Courses
- 13) Wildlife safaris
- 14) Luxury Tourist Trains
- 15) Sea/ River Cruises
- 16) Ecotourism Centers
- 17) Rural Tourism products, and
- 18) Adventure Tourism products

#### **THE FOLLOWING INCENTIVES & CONCESSIONS WILL BE GRANTED UNDER THE NEW POLICY:**

##### **CONCESSIONAL ALLOTMENT OF LAND**

- Lease upto 33 years at 5% of basic value with an incremental provision of 5% every year
- Tenure upto 33 years at first instance & first right of refusal
- Government will facilitate land assembly. (Tourism Department will maintain a land bank)

##### **CAPITAL INVESTMENT SUBSIDY**

- For investments upto Rs.20.00 crores, 20% capital investment subsidy, subject to maximum of Rs.20.00 lakhs
- For investments upto Rs.20.00 to Rs.100.00 crores, 25% capital investment subsidy, subject to maximum of Rs. 30.00 lakhs
- Above Rs.100.00 crores are Mega Tourism Projects, where subsidies are on case-to-case basis.

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#### **REIMBURSEMENT OF STAMP DUTY & TRANSFER FEE**

- 50% reimbursement for lease & (through Govt. on lease basis)
- 25% reimbursement for purchase (Private parties)

#### **REIMBURSEMENT OF VAT**

- 25% of VAT paid during a Financial Year will be ploughed back to the unit as a grant towards the payment of VAT for the next year. Benefit available for 5 years

#### **LUXURY TAX**

- 5% on room tariff above Rs.1500/- per day for 5 years, on the actual charged room rates. (Existing limit is Rs.600 per day on published rates.)
- Once the GST system is introduced, the same benefit will be passed on to the unit as reimbursement.

#### **ENTERTAINMENT TAX**

- Ploughing back of 25% of Entertainment Tax for Entertainment components in Theme Parks, Entertainment Centers, etc., (upto 5 years) (new provision) subject to the condition that the total benefit on this account does not exceed 100% of the project cost.

#### **MUNICIPAL EXEMPTIONS**

- Exemption from payment of Conversion Charges
- Payment of Impact Fees will be levied under Category (c) (which is about 50% of the impact fees paid by other commercial units).

#### **ENERGY INCENTIVE**

- Reimbursement of 0.75 Paise / 0.90 Paise / 1 Rupee (according to zone) per unit of the energy cost for 5 years.

#### **IN ADDITION TO FINANCIAL INCENTIVES AND CONCESSIONS, THERE ARE 2 NON FINANCIAL INCENTIVES ALSO:**

- The Government will facilitate all clearances & permissions
- Support from the Government in Promotion & Marketing

#### **A SYSTEM OF TARGETING HAS BEEN INTRODUCED TO ENCOURAGE TOURISM DEVELOPMENT IN ALL REGIONS OF THE STATE:**

- Zone A: Region coming under GHMC Area.
- Zone B: Area under HMDA (Excluding GHMC), GVMC, Area under VGMTUDA, Area under TUDA
- Zone C: All other places.
- Capital Investment Subsidy in Zone B will be 5% more than Zone A, limited to Rs.5.00 lakhs.
- Capital Investment Subsidy in Zone C will be 5% more than Zone B, limited to Rs.5.00 lakhs

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**IN ADDITION, TARGETING OF INCENTIVES FOR CERTAIN TYPES OF TOURISM PRODUCTS IS ALSO MADE:**

- Additional Capital Investment Subsidy incentive of 5% (limited to Rs.5.00 lakhs) for;
  - Beaches
  - Water bodies
  - Jalayagnam Sites
  - Rural Tourism Products
  - Eco Tourism Products
  - Adventure Tourism Products
  - Heritage Hotels
- Additional Capital Investment Subsidy incentive of 5% (limited to Rs. 5.00 lakhs) for Women, SC/ST and PwD entrepreneurs
- All Additional Capital Investment Subsidy incentives shall not exceed Rs.10.00 lakhs in all.

**DEPARTMENT OF TOURISM WILL PROVIDE LEADERSHIP IN THE FOLLOWING SPECIAL FOCUS AREAS:**

- Aam Aadmi Tourism
- Home Stay & Bed & Breakfast scheme
- Rural Tourism
- Recognition to Private Operators
- Customized Tours
- MICE, Medical, Heli & Film Tourism
- Human Resource Development
- Responsible & Safe Tourism

5. Government also order that the tenure of the present policy shall be for five years, ie, 2010-2015.

6. Government further order that necessary funds required as obligation during the implementation of the Andhra Pradesh New Tourism Policy, 2010, shall be projected in the Budget of the Tourism Department at appropriate time.

7. The details of the New Tourism Policy, 2010 are made available on the website [www.aptourism.in](http://www.aptourism.in) and [www.aptdc.in](http://www.aptdc.in)

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**JAYESH RANJAN  
SECRETARY TO GOVERNMENT (T)**

To  
The Commissioner of Tourism,  
AP, Hyderabad.

The Vice-Chairman & Managing Director,  
AP Tourism Development Corporation.  
Hyderabad.

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**Copy to:** The Special Secretary to Chief Minister  
The PS to Minister for I&PR, Cinematography, Tourism & Culture  
The PS to Chief Secretary to Government.  
The Special Chief Secretary to Government, Finance Dept  
The Principal Secretary (FP) Finance Department  
The Principal Secretary (R&E) Finance Department  
The Principal Secretary (IF) Finance Department  
The Principal Secretary to Government, Energy Department  
The Principal Secretary to Govt, Revenue (Regn & Stamps) Dept  
The Principal Secretary to Govt, Revenue (CT) Department  
The Principal Secretary to Govt, MA&UD Department  
The Principal Secretary to Govt, Industries & Commerce Dept  
The Principal Secretary to Government, Information Technology  
Department  
All Departments of Secretariat / All Heads of Departments  
The Accountant-General, AP, Hyderabad.  
The Pay & Accounts Officer, AP, Hyderabad  
The Deputy Pay & Accounts Officer, Secretariat Branch

**// Forwarded :: By Order//**

**SECTION OFFICER**